

Advertising Distributors
of America, Inc.

720 Stewart Avenue
Garden City, New York 11530

516/222-2440
212/297-4878

September 23, 1981



Mr. Richard L. Stirlen
Philip Morris, Inc.
100 Park Avenue
New York, New York 10017

Dear Rick:

Our letter of September 9th outlines the program as it was initially discussed and set up between Philip Morris, Inc. and ADofA. We have now reviewed the proposal with the various changes that have come up since our meeting on Monday, September 21st. We will be supplying Philip Morris, Inc. with the following:

- A) Pressure Sensitive Name and Address Labels plus 2 duplicate galleys for the (45) states being handled in Richmond, Virginia in product/zip code sequence. You will also receive a tax report in state order (zip code) and product code identification. *43 to 45*
- B) For those 5 states that are being handled directly by ADofA we will generate a pressure sensitive label for our field representative and we will turn over to Philip Morris, Inc., New York 2 galley print outs of the names and addresses in product/zip code sequence. You will also receive one tax report for those 5 states. *THIS DATA REPORT NOT NEEDED.*
- C) There will also be supplied to Philip Morris, Inc. a weekly tax report for the (45) states plus the special 5 state operation. This weekly report will again be by product/zip code sequence and will also include any cumulative figures from the ongoing promotion.

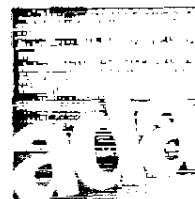
We are enclosing a sample corrugated mailing carton with recommended printing thereon. Please call me when you receive this and we can go over it together. You will note that we are suggesting you pre-imprint two types of postal indicia:

- 1.- Company Permit to be used on those cartons that are supplied to ADofA.
- 2.- The Permit Number that you already have for those mailings being made by Philip Morris, Inc. directly in Richmond, Virginia.

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This is simply a suggestion. It is further recommended on this mailing box that your supplier furnish you with a lock type carton which creates a better package and speeds up production which will minimize unnecessary extra costs.

We further checked with our Post Office here in New York and as we told you on the phone, Section 951-.143 of the United States Postal Regulation states that mail addressed only to a box number will be delivered to the box holder (in this case Philip Morris, Inc.) as long as no improper or unlawful business is conducted. We have mailed many millions of items for local and national advertisers where the return address is simply a post office box number.

It is understood Philip Morris, Inc. will research and give to ADofA for purposes of reporting the zip codes involved in New York City, Chicago and Cook County, Illinois. This information will be used in setting up our reporting procedures.

We are presently conducting the test run on the cards that were furnished to us today. As soon as we are ready with the complete print out, reports, etc. we will of course, get back to you immediately. For purposes of this test, we will not be identifying the special break out on those requests for New York City, Chicago and Cook County, Illinois.

Duplicate Drop Program

We are suggesting that after the program is under way we take one or two days returns and run a sample drop duplicate elimination program. This will give us an indication if there are any immediate problems as to mis-handling or mis-redemption. The information received at this point may be negligible, however, we would gladly do this for you and at no extra or special charge.

If it is decided that we should make a more extensive drop duplicate test against the computer returns for a month or better then this is a somewhat involved process and will be handled at the \$10.00/M additional charge as quoted in our initial letter.

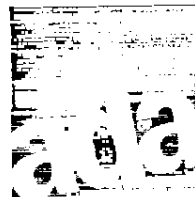
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I WANT
THIS DONE
PERIODICALLY
WEEKLY
OR
EVERY
OTHER

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In reviewing all of the foregoing we estimate at this time the charges as outlined initially will be increased from a possible 2¢ to 3¢ per request received. We will, of course, get back to you very shortly with an exact figure for budgeting purposes. This increase covers the special reporting, daily messenger service and pressure sensitive labels plus duplicate galley print outs. We will also be getting back to you for the cost involved on the 5 states where direct processing and mailing will be done by ADofA.

Please call me after you have had a chance to review the above. Thank you.

Cordially,

ADVERTISING DISTRIBUTORS OF AMERICA, INC.

Walter O. Lindstrom

Walter O. Lindstrom
Vice President

WOL:RS
Encls.

Cc: Mr. D. Iannaccone, President, ADofA
Mr. M. Peck, Sr. Vice President, ADofA

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